

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 SS-20 NSC-10 CIAE-00 PM-07 INR-10 L-03

NEA-11 NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15

TRSE-00 SAM-01 SAJ-01 AID-20 EB-11 CIEP-02 STR-08

OMB-01 CEA-02 COME-00 FRB-02 XMB-07 OPIC-12 LAB-06

SIL-01 AGR-20 FEA-02 SCI-06 DODE-00 INT-08 DRC-01

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TAGS: ETRD, PFOR, IC, UR

SUBJECT: ICELAND'S TRADE WITH EASTERN BLOC AND NATO

REF: EUR/NE PINKNEY - AMBASSADOR TELECON FEB 5

1. 1973 ICELAND TRADE WITH SELECTED COUNTRIES (IN MILLIONS
OF U.S. DOLLARS):

ICELAND'S:	IMPORTS	PERCENTAGE	EXPORTS	PERCENTAGE OF
(CIF)	OF TOTAL			
	IMPORTS	(FOB)	TOTAL EXPORTS	

USSR	\$22.628	6.4	\$10.353	3.6
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OTHER BLOC	8.986	2.5	14.430	*.0
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TOTAL USSR	\$31.614	8.9	\$24.783	8.6
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AND/BLOC OTHER

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U.S. 26.338 7.4 76.851 26.6

OTHER NATO 196.901 55.6 136.192 47.1

TOTAL U.S. \$223.239 63.0 \$213.043 73.7

AND OTHER NATO

TOTAL ALL

COUNTRIES \$353.880 100.0 \$289.258 100.0

2. 1972 TRADE:

ICELAND: IMPORTS PERCENTAGE EXPORTS PERCENTAGE

(CIF) OF TOTAL

IMPORTS (FOB) TOTAL EXPORTS

USSR \$13.542 5.8 \$13.997 7.3

OTHER BLOC 10.767 4.6 8.299 4.3

TOTAL USSR \$24.309 10.4 \$22.296 11.6

AND OTHER BLOC

U.S. 18.730 8.0 58.724 30.6

OTHER NATO 139.635 59.6 78.524 41.0

TOTAL U.S. \$158.365 67.6 137.248 71.6

AND OTHER NATO

TOTAL ALL

COUNTRIES \$234.389 100.0 \$191.667 100.0

3. AS FIGURES SHOW, ICELAND'S EXPORTS TO USSR DROPPED FROM 7.3 PERCENT OF TOTAL EXPORTS IN 1972 TO 3.6 PERCENT OF TOTAL EXPORTS IN 1973 AND BY AN ABSOLUTE AMOUNT OF \$3.6 MILLION OR 26 PERCENT OF 21972 RPT 1972 FIGURE. OF \$10.4 MILLION IN EXPORTS TO

USSR IN 1973, ABOUT \$7.5 MILLION (72 PERCENT) WAS FISH, APPROXIMATELY \$2.3 MILLION (22 PERCENT) WOLLEN GOODS, AND LIMITED OFFICIAL USE

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REMAINING \$600,000 OTHER MANUFACTURED ITEMS. OF \$14 MILLION IN EXPORTS TO USSR IN 1972, \$11.7 MILLION (84 PERCENT) WAS FISH, \$1.6 MILLION (12 PERCENT) WOLLEN GOODS, AND ABOUT \$700,000 OTHER MANUFACTURED PRODUCTS. IMPORTS FROM USSR IN BOTH 1972 AND FIRST THREE QUARTERS 1973 WERE 79 PERCENT PETROLEUM WITH REMINING 21 PERCENT ABOUT EVENLY DIVIDED AMONG LUMBER, STEEL, AND AUTOMOBILES. (SEE REYKJAVIK TEL 0104 FOR DETAILS ON PETROLEUM IMPORTS.)

4. FIGURES SHOW A PERCENTAGE DECLINE IN U.S. PURCHASES OF ICELANDIC EXPORTS, FROM 30.6 PERCENT OF ALL ICELANDIC EXPORTS IN 1972 TO 26.6 PERCENT IN 1973. ACTUAL PURCHASES INCREASED BY \$18.1 MILLION OR 31 PERCENT BUT MARKET SHARE DECLINED BECAUSE OF SUBSTANTIALLY LARGER 1973 ICELANDIC EXPORTS OF CAPELIN MEAL AND ALUMINIM TO COUNTRIES OTHER THAN U.S., PARTICULARLY TO POLAND AND THE U.K. ON FISH MEAL, AND TO SWITZERLAND, WEST GERMANY AND THE U.K. ON ALUMINIM. OF IMPORTS OF \$18 MILLION FROM U.S. IN FIRST THREE QUARTERS OF 1973, \$3.9 MILLION (22 PERCENT) WAS TRANSPORT EQUIPMENT, \$2.9 MILLION (16 PERCENT) NON-ELECTRICAL MACHINERY, \$1.8 MILLION (10 PERCENT) WHEAT FLOUR AND GRAINS, \$1.7 MILLION (9 PERCENT) TOBACCO PRODUCTS, AND \$1.4 MILLION (8 PERCENT) ELECTRICAL MACHINERY. IN 1972 IMPORTS FROM U.S. WERE \$18.7 MILLION OF WHICH \$3.7 MILLION (20 PERCENT) WAS TRANSPORT EQUIPMENT, \$3.5 MILLION (19 PERCENT) NON-ELECTRICAL MACHINERY, \$1.7 MILLION (9 PERCENT) WHEAT FLOUR AND GRAINS, \$2.2 MILLION (12 PERCENT) TOBACCO PRODUCTS, AND \$1.5 MILLION (8 PERCENT) ELECTRICAL MACHINERY.

JIO5. U.S. REMAINS SINGLE MOST IMPORTANT MARKET FOR ICELAND'S PRINCIPAL EXPORT, FISH. IN FIRST 11 MONTHS OF 1973 U.S. PURCHASED \$66.3 MILLION OF SIH PRODUCTS OF 33 PERCENT OF TOTAL ICELAND FISH EXPORTS (INCLUDING FISH MEAL AND SALT FISH) DURING THAT PERIOD. 98 PERCENT OF U.S. PURCHASES ARE FROZEN COD AND SIMILAR SPECIES AND FROZEN LOBSTER AND SCALLOPS. U.S. PURCHASES REPRESENTED 74.4 PERCENT OF ICELAND'S EXPORTS OF PROCESSED FROZEN FISH DURING THIS PERIOD. SOVIET FISH PURCHASES DURING FIRST 11 MONTHS OF 1973 WERE \$7.3 MILLION OR 3.7 PERCENT OF ICELAND'S TOTAL FISH EXPORTS. OF THIS, \$5.1 MILLION (70 PERCENT) WAS PROCESSED FROZEN FISH AND REPRESENTED 10 PERCENT OF ICELAND'S EXPORTS OF THESE PRODUCTS. DURING 1972 LIMITED OFFICIAL USE

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TOTAL ICELAND FISH EXPORTS WERE \$141 MILLION OF WHICH \$56 MILLION (40 PERCENT) WAS TO U.S. AND \$11.4 MILLION (8 PERCENT) TO USSR. 98 PERCENT OF U.S. PURCHASES FROM ICELAND IN 1972 WERE PROCESSED FROZEN FISH AND REPRESENTED 73 PERCENT OF TOTAL ICELANDIC EXPORTS OF PROCESSED FROZEN FISH. 75 PERCENT OF USSR PURCHASES IN 1972 WERE PROCESSED FROZEN FISH AND REPRESENTED 15 PERCENT OF ICELANDIC EXPORTS OF THESE PRODUCTS.

6. SEPTTEL FOLLOWS ON RECENT DEVELOPMENTS IN ICELAND-USSR TRADE.
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